

**2015** Annual Report

## The President's Report



Welcome to the 65<sup>th</sup> Annual Meeting of Rivermark Community Credit Union. As a not-for-profit, member owned, financial cooperative, the

financial successes of Rivermark allow us to continue to provide the kind of value our members expect. The structure of your cooperative leads to that value, and results in a positive economic impact across the communities we serve.

The financial results for 2015 reflect an outstanding year. In fact, 2015 was a year of record growth in assets, loans, deposits, earnings, and members! Assets finished the year at \$720 million, an increase of approximately \$105 million, or 17%. Asset growth is important to Rivermark, as it reflects our members' desire to do business with their credit union. Member deposits finished 2015 at \$627 million, an increase of 14%. Nearly all savings types were up substantially for the year. Strong deposit growth was a key factor allowing Rivermark to meet the lending needs of our members. In 2015, net loans increased approximately \$106 million, or 17%. Net loan growth in just the last two years totaled over \$195 million, a significant increase relative to the modest growth in previous years.

Unprecedented loan volumes translate into strong loan interest income, which drove record earnings in 2015. Net income totaled \$8.5 million last year, a 1.36% Return on Average Assets. As a Credit Union, the sole means of growing capital is through net income, and that strong infusion of earnings into capital was needed in 2015. In fact, the pace of capital growth was only slightly less than that of asset growth, leading to a year-end capital ratio of 9.16%.

Rivermark also grew membership at record levels last year, bringing credit union services to 11,618 new members. As of year-end, Rivermark is now serving 77,110 members. The increasing strength of our brand, coupled with our focus on access and convenience and great service,

has driven this growth. It's notable that our 11% member growth in 2015 compares favorably to the 3% industry average.

From a strategic perspective, 2015 was a busy year. The most notable strategic initiative surrounded branch transformations. During the year, the Credit Union built on the successes of the Gresham Station Branch transformation (completed in the Fall of 2014), by completing the Progress Ridge Branch remodel, implementing Personal Teller Kiosks, extended hours, and an increased emphasis on engaging our members in more relevant and meaningful conversations. Branch and delivery channel enhancements were also completed at our Hawthorne and The Dalles branches, bringing more convenience and access to our members while extending our brand. We also implemented a unique strategy in Newberg, introducing a walk-in, card accessible, self-contained ATM kiosk to the community. Rivermark will continue to bring professionally branded, market leading delivery channels to our members in 2016.

Another key strategic initiative we focused on in 2015 was to build the foundation for a 2016 conversion to a new online banking platform. This project began in late 2014, and will culminate with a March 2016 rollout to our members. Throughout the process, we've placed a top priority on providing an unparalleled user experience for our members.

We have also been building the foundation for a new loan origination system to be implemented in 2016. This new loan system will bring a simple and intuitive online loan application process to our members. The new system will also enable us to customize product offerings, based on the specific needs of our members.

As I initially noted, growth is critical to our long-term success. In 2015, we focused on building some key strategies to position Rivermark for that growth. Onboarding strategies and member engagement will be key to driving our growth in 2016 and beyond.

Looking ahead, Rivermark will continue to build on our successes, while pursuing new key initiatives to grow and support the communities we serve, and develop key partnerships to help grow small businesses in our markets.

Even though 2015 was an outstanding year, we are not resting on our laurels. To ensure our continued success, and that of our members, it will be critical for us to continue to provide leading edge products and services, best in class delivery channels, great technology, and incredible service to our members. It's that industry leading level of access and convenience that will continue to make Rivermark a special place to conduct your financial business. Thank you for your membership in Rivermark Community Credit Union.

**Scott Burgess - President/CEO**



“Seriously the best bank. I've never felt anything about a bank until Rivermark. The staff is the best and the overall experience is always great.”



-Trina



## Supervisory Committee Report

Your Supervisory Committee was comprised of five volunteers at year-end 2015, whose names appear on the back page of this Annual Report. The Committee's responsibility is to oversee and verify that the Credit Union has established and maintains an internal framework that ensures compliance with laws and regulations and the reliability and integrity of financial statements.

We fulfill this responsibility in primarily two ways: we meet regularly with our Internal Auditor and we engage an external audit firm to audit the financial statements. We selected Moss Adams LLP, Certified Public Accountants to perform an independent audit of Rivermark Community Credit Union's financial statements in accordance with generally accepted auditing standards.

In their opinion, the financial statements present fairly, in all material respects, the financial position of Rivermark

Community Credit Union as of September 30, 2015, and the results of its operations and cash flows for the twelve months covered by the audit.

A copy of the complete audited financial statements is available at the administrative office of Rivermark Community Credit Union. The condensed financial statements in this Annual Report were taken from our Financial Statements as of December 31, 2015.

Committee members attend and participate in the monthly Board of Directors meetings. The Committee itself also meets monthly. At those meetings we review the work of the Internal Auditor, management and the external auditor to ensure that the Committee's responsibilities are properly discharged.

**Kara Oaks - Chair**

## Statement of Income\*

	2014	2015
Interest on Member Loans	20,439,664	25,502,727
Income in Investments	1,324,038	723,715
Other Income	11,819,848	13,637,484
<b>Total Income</b>	<b>33,583,550</b>	<b>39,863,926</b>
Operations & Administrative Expenses	25,840,277	28,558,396
Income from Operations	7,743,273	11,305,530
Non-Operating Income	(126,914)	(259,005)
<b>Income Before Interest Paid</b>	<b>7,616,359</b>	<b>11,564,535</b>
Interest Paid	2,226,910	3,025,145
<b>Net Income</b>	<b>5,389,449</b>	<b>8,539,390</b>

## Statement of Financial Condition\* 2014 2015

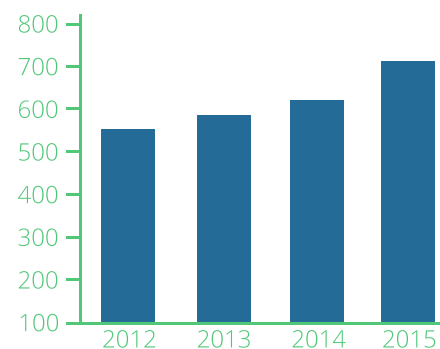
Loans to Members	494,855,447	600,894,174
Accounts Receivable	1,011,127	1,561,927
Cash	19,016,867	16,465,346
Investments	74,848,506	75,622,891
Prepaid Expenses	703,238	1,434,292
Premises & Equipment	9,669,204	9,692,599
Accrued Income	1,747,540	2,147,066
NCUSIF Deposit	5,117,832	5,659,539
Other Assets	7,979,497	7,979,497
<b>Total Assets</b>	<b>614,949,258</b>	<b>720,369,986</b>

## Liabilities and Member Equity\* 2014 2015

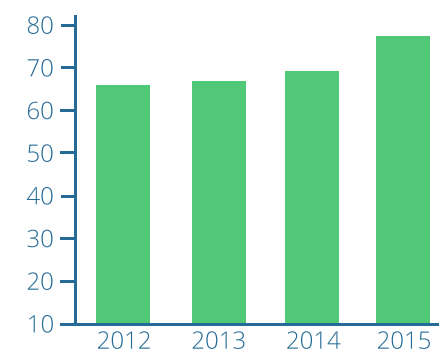
Accounts Payable	2,632,890	4,002,595
Loans Payable	5,000,000	21,500,000
Accrued Expenses/Settlements/ Deferred Income	1,580,165	2,306,588
<b>Total Liabilities</b>	<b>9,213,055</b>	<b>27,809,183</b>
<b>Total Deposits</b>	<b>548,375,897</b>	<b>626,688,158</b>
Reserve Accounts	14,186,249	14,186,249
Undivided Earnings	43,295,170	51,834,560
Accumulated Gain/Loss on Investments	(121,114)	(148,164)
<b>Total Equity</b>	<b>57,360,306</b>	<b>65,872,645</b>
<b>Total Liabilities &amp; Equity</b>	<b>614,949,258</b>	<b>720,369,986</b>

\*Unaudited

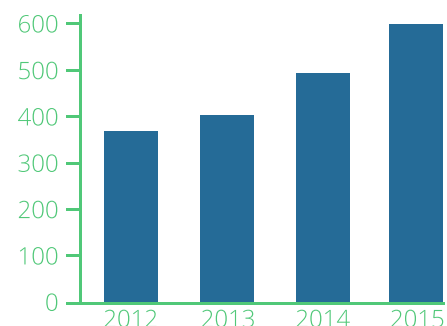
## Assets [IN MILLIONS]



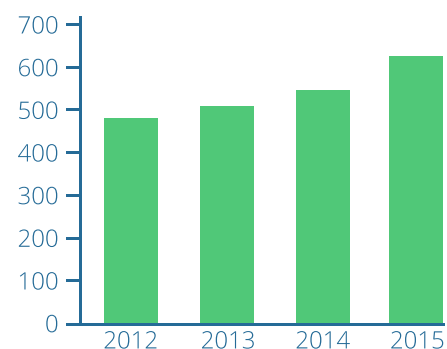
## Members [IN THOUSANDS]



## Loans [IN MILLIONS]



## Deposits [IN MILLIONS]



### SENIOR TEAM

Scott Burgess, President/CEO  
 Jackie Henderson, VP of Human Resources  
 Nick Hodson, VP of Finance  
 Robert Mills, VP of Technology  
 David Noble, VP of Marketing  
 Gayle Rust Gustafson, VP of Lending  
 Seth Schaefer, VP of Sales

### SUPERVISORY COMMITTEE

(As of 12/31/2015)

Kara Oaks, Chair  
 Kim Bickford  
 Matthew Baird  
 Darryn Ambrose

### BOARD OF DIRECTORS

(As of 12/31/2015)

Steve Lucas, Chair  
 Dennis Fullan, Vice Chair  
 Lina Cockrell, Secretary  
 Bill Roberts Jr.  
 Jeremy Vandehey  
 Gary Frayn  
 Travis Hollingsworth  
 Nina Carlson  
 Kim Bickford